Online Shoppers in Canada are Store Friendly, Global and Marketplace-Driven

Online shoppers in Canada continue to find value in shopping at physical stores, are purchasing from international retailers and are using marketplaces. Driving these behavioral shifts is a desire to find better prices and unique products with more choices, control and convenience.

The 2018 UPS Pulse of the Online Shopper™ Global Study, conducted by comScore, provides insight into online shoppers' behaviors and preferences. We have categorized the results of this year's study into three areas:

**Constants**: Areas of the retail experience that remain important year over year and influence purchase behaviors. These are *satisfaction with today’s shopping experience, shipping, and logistics.*

**Movers**: Areas where consumers have shown significant growth over the past few years. These are *mobile, international shopping and store engagement.*

**Emergers**: Newer areas of retail that may play a role in the shopping experience of the future. These include *alternate delivery locations, marketplaces, and technologies such as robots and chatbots.*

Understanding today’s online shopper in Canada and evolving to meet their new demands is critical for retailer success. By focusing on these key areas, retailers have the opportunity to help shape the future of retail while simultaneously increasing customer satisfaction and sales.
Constants

Satisfaction with today’s shopping experience, shipping and logistics remain important year over year.
Shopping experience

Only three in four online shoppers are satisfied with the overall online shopping experience, consistent with the satisfaction level in 2013. Their satisfaction is highest when it comes to shopping on desktops or laptops (79%) and lowest when it comes to shopping in physical stores (59%).

Online shoppers also continue to shop across multiple channels with searching and buying on a single channel being the most frequently used method. However, on average, 40% of purchases in Canada are searched for and bought across channels, highlighting the importance of both the online and in-store experiences.
Expectations on order time to be eligible for expedited shipping options

63% of online shoppers in Canada expect orders placed by noon to qualify for delivery the same day.

61% of online shoppers in Canada expect orders placed by 5 p.m. to qualify for delivery the next day.

Top reasons shoppers are willing to pay premium for faster shipping

37% I needed it faster for myself due to personal reasons.

34% I ordered a gift I needed to arrive by a certain date.

16% I like getting my purchases right away.

16% I was purchasing perishable items.

22% I waited to the last minute so I didn’t have other options.

Constants

Movers

Emergers

Key Takeaways

Methodology

Premium shipping

Consumers expect quick fulfillment of online orders and speedy delivery. In fact, 61% of online shoppers in Canada expect orders placed by 5 p.m. to qualify for next-day delivery and 63% expect orders placed by noon to qualify for same-day delivery.

Despite these expectations, online shoppers in Canada are the least likely to pay for premium shipping options, compared to other regions surveyed. Twenty four percent are not willing to pay for next-day shipping and 36% are not willing to pay for same-day shipping. On average, Canadians pay for shipping on one in three orders, which is on par with shoppers in the U.S. but less than those in Europe, Mexico and Brazil.
Returns of online purchases usage and preferences

64% Shipped back to retailer
36%

45% Returned to physical store
64%

Top reasons to ship returns back to retailer

51% It is easier to return online

38% The retailer is an online only store

41% Return products have free shipping

33% There are no local store options

29% I don’t have time to go to the store

Returns

When it’s available, 64% of those in Canada, who have returned an online purchase, prefer to return it to a physical store. However, more returners have shipped an online return back to a retailer than have returned one to a store (64% vs. 45%).

Ease of use and free returns shipping are the top reasons why consumers ship returns back to retailers. Retailers should implement and promote return-to-store options to address customer preference and improve satisfaction.
Movers

Mobile, international shopping, and store engagement have shown significant growth over the past few years.
Mobile

While eight in ten Canadian online shoppers use a smartphone (81%), only 41% of smartphone users make online purchases on them, the lowest of any region surveyed. Further, a significantly higher percentage of Canadian smartphone users indicate they will shop the same amount on smartphones relative to the previous year (67%).

Despite this, consumers in Canada use their smartphones to research and as a purchase tool when shopping in physical stores. Almost three quarters use smartphones to read product details in store and about seven in ten use them to compare prices and to look up product reviews.
International

Retail has become global with 83% of online shoppers in Canada having purchased from international retailers online, the highest among all countries surveyed. When doing so, 78% expect an economy international shipping option and it is used, on average, 68% of the time.

Purchasing from the U.S. (76%) is most common followed by China (52%). Consumers who made purchases from international retailers primarily did so because the brands or products they like were not available in Canada, and they found a lower price from an international retailer on a Canadian marketplace.
Despite the decreased performance of some physical store retailers, online shoppers in Canada still find value in shopping in store. They make about six in ten of their non-grocery purchases in store, and 70% indicate they will shop the same amount in store relative to the previous year. However, there is still room for improving the in-store shopping experience with 59% of shoppers in Canada being satisfied with it, the second lowest among online shoppers globally.

The ship-to-store service is being embraced by both retailers and Canadian consumers. Over a third have utilized this option in the past year and 43% plan to use ship-to-store more often next year.
Emergers

Alternate delivery locations, marketplaces, and technologies, such as robots and chatbots, may play a larger role in the shopping experience of the future.
Alternate delivery locations

Consumers are using alternate delivery locations, especially those who live in urban areas. In fact, Canadian online shoppers prefer to have 42% of their online orders shipped to an alternate delivery location and use them on 38% of their orders. Separately, more than half (57%) of online shoppers in Canada are interested in shipping to alternate delivery locations with extended hours for reduced fees.

However, shoppers in Canada have the second lowest interest in this concept globally, higher only than online shoppers in the U.S. They also prefer and use alternate delivery on the second lowest percentage of orders, higher only than the U.S.
Marketplaces

Shopping on marketplaces is universal. Almost all (96%) online shoppers in Canada have purchased from a marketplace, and roughly a third said they are likely to research and about three in ten are likely to purchase more on marketplaces in the next year.

Top reasons for purchasing at a marketplace instead of a retailer

Better prices and free or discounted shipping are the top two reasons for choosing to shop at a marketplace. Total cost of the order, speed of delivery, broad selection and in-stock products are also common reasons for purchasing via marketplaces.
Retail technologies

Technology is playing a larger role in retail. However, when asked about the appeal of robots in retail stores, roughly half of consumers in Canada are not convinced with 53% saying that they prefer interacting with a person. This finding underscores the importance of the store associate in the overall retail experience.

While consumers prefer to talk with sales associates when shopping in store, they prefer self-service options when shopping online. Consumers in Canada are most comfortable with using chatbots for getting product information and completing steps for processing orders and returns.
The following insights will help retailers successfully address the dynamic online shopping experience for consumers in Canada and their future shopping demands:

**Deliver a Consistent Experience**
Guarantee parity across all retail channels to provide brand consistency and build customer satisfaction.

**Offer Flexible Delivery Options**
Include in-store pickup, alternate delivery locations and expedited delivery to meet consumers’ growing preferences for delivery options.

**Elevate the In-Store Experience**
Make sure your physical store remains relevant by providing an inspiring and effective shopping experience.

**Empower the Shopper**
Provide convenient resources for consumers to get details on products through in-store technologies and a robust mobile shopping experience.

**Focus on International**
Online shoppers in Canada have the highest incidence of purchasing from international retailers. Make shipping internationally a priority to expand your customer base.

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**Key Takeaways**

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**Introduction**

**Constants**

**Movers**

**Emergers**

**Methodology**
Methodology

The UPS Pulse of the Online Shopper™ Global Study evaluates consumer shopping habits from pre-purchase to post-delivery. The 2018 study was fielded in Q1, Q2 and Q3 2017 and is based on a comScore survey of more than 18,000 online shoppers worldwide, which includes roughly 1,100 respondents from Canada. Respondents made at least two online purchases in a typical three-month period.

**Shopping Frequency In a Typical Three-Month Period**

- **40%** made **7+ PURCHASES**
- **40%** made **4-6 PURCHASES**
- **20%** made **2-3 PURCHASES**